EMPOWER DEVELOPMENT

8 QUESTIONS

INTERPRETATION OF INSURANCE CONTRACTS
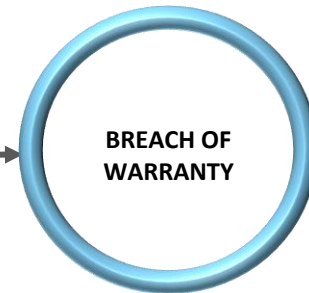
✓ Statutory rules (Consumer Rights Act 2015)

✓ Common law rules (ordinary/technical meaning)

✓ Importance of context

✓ The 'contra proferentem' rule

Warranty in the general law of contract is a term concerning a minor part of the agreement only. If it is broken, the injured party has a right to claim damages but not, in general, to treat the contract as repudiated.
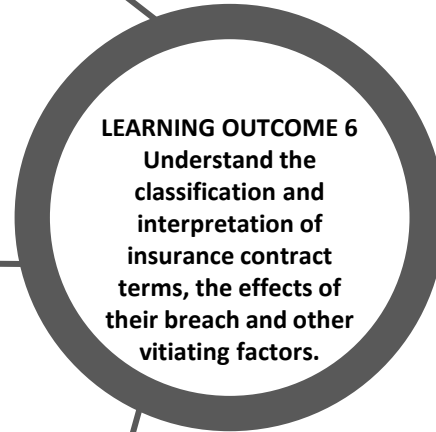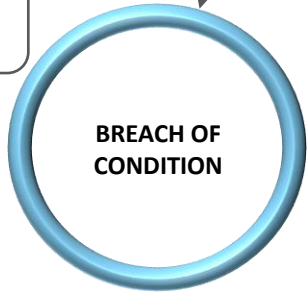
LEARNING OUTCOME 6
Understand the classification and interpretation of insurance contract terms, the effects of their breach and other vitiating factors.

BREACH OF WARRANTY

✓ Suspension under Insurance Act 2015

ILLEGALITY

✓ Contracts which are contrary to law

✓ Contracts which are contrary to public policy

✓ Contracts in restraint of trade

Condition is a term that relates to an important aspect of the agreement: it 'goes to the root' of the contract. If such a term is broken, the victim has a right not only to claim damages but also to terminate the contract.

BREACH OF CONDITION

✓ Condition precedent to the contract: contract never comes into existence

✓ Condition precedent to liability: discharge from liability for the claim

✓ Collateral condition: depends on the seriousness

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